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Commonwealth of Massachusetts
HOUSE OF REPRESENTATIVES

HOUSE POST AUDIT
AND
OVERSIGHT BUREAU

SPECIAL REPORT



ROOM 146

STATE HOUSE

BOSTON, MASSACHUSETTS 02133

TO: The Honorable Charles F. Flaherty, Speaker of the
House of Representatives
The Honorable William P. Nagle, Jr., Chairman, HPAO
The Honorable Vincent G. Mannering, Chairman,
CA/T Sub-Committee
HPAO Committee Members

FROM: Thomas W. Hammond, Jr., Director, HPAB

DATE: August 10, 1994

RE: CA/T PROJECT UPDATE

After conducting an initial review of several components of the Central Artery/Tunnel Project ("CA/T Project") as well as making a general overview of the CA/T project, the House Post Audit and Oversight Bureau releases the following preliminary findings and recommendations.

Findings

1. The level of in-depth oversight on the project is deficient from a number of important perspectives. Several reports from the United States Department of Transportation ("USDOT"), the Federal Inspector General ("Federal I.G."), the state Inspector General ("state I.G."), and the House Post Audit and Oversight Bureau (the "Bureau") reveal

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programmatic and oversight deficiencies which need to be corrected. While CA/T project personnel point to already high levels of project oversight, the reality is that most of the agencies that are identified as having oversight by CA/T have either nominal, perfunctory or limited roles in the monitoring of this project.

As the attached chart entitled "State/Federal Entities with Ongoing Review or Oversight of CA/T Project" indicates, (See Exhibit #1) there are a number of different agencies that have some form of oversight over the CA/T project. However, the chart delineates several agencies which have little or no direct responsibility for reviewing waste, fraud or abuse. For example, the functions of Department of Environmental Protection ("DEP") , Occupational Safety & Health Agency ("OSHA") and the U.S. Environmental Protection Agency are all essentially related to permitting as well as environmental and safety compliance, and are not readily equipped to investigate the management of a multibillion dollar mega-project such as the CA/T project.

Agencies such as the State Office of Minority Business Agency ("SOMBA") and the U.S. Postal Service have discrete and limited roles. Their participation in any meaningful efforts to monitor costs and control waste would necessarily have to be a part of a coordinated effort of a much larger group.

The delineated law enforcement agencies, such as the Massachusetts Attorney General and the United States Attorney, while having access to grand jury investigatory powers and criminal justice resources, are primarily reactionary in nature. Their principal focus is responding to specific allegations of criminal wrongdoing. Their role in the overall oversight process is limited in scope.

With the exception of the House Post Audit and Oversight Committee, the legislative committees listed are primarily oriented to the state's role in financing the project via the capital outlay process. The legislative committees have very limited resources to conduct substantial independent inquiries about project costs, waste and abuse. For example, the House and Senate Post Audit are the only legislative committee's with subpoena powers.

The Federal Highway Administration ("FHWA") has committed very limited oversight resources to this project. Their principal focus appears to relate primarily to design, engineering and funding review of the project. Their role as the Bureau understands it is not one that is comparable to that of an inspector general. From the Bureau's perspective, the resources available to the Federal I.G. and the USDOT are also very limited. The Bureau found the staffing of those agencies limited and the scope of their responsibilities entailed many other issues and projects unrelated to the CA/T project.



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<http://archive.org/details/catprojectupdate00mass>

The state Auditor has six persons stationed on site according to the project's chart (See Exhibit #1). However in later correspondence to the Bureau, the CA/T project indicated that it was aware of just 4 people from the state Auditor's office. While the Bureau believes that committing auditors to the project on a full-time basis is a positive step toward hands-on oversight, their role is obviously limited by their numbers and other extensive obligations of the state Auditor's office. Moreover, the state Auditor does not have subpoena power and therefore does not have access to all materials necessary for a full review.

The state Inspector General's office has the potential to be a substantial player in the oversight process. Unfortunately, the amount of \$250,000 appropriated for the state I.G. for technical assistance on this project does not seem to be sufficient to allow the state I.G. to provide complete ongoing project-wide review. According to the CA/T project they know of seven (7) state I.G. employees assigned to the project.

Further, while the Bureau believes the financial implications and funding challenges posed by the CA/T project for the Commonwealth are extremely serious and substantial, the fact of the matter is that most of the dollars committed to the project are federal dollars. The Bureau finds it disconcerting that given the large commitment of federal aid, such limited federal resources have been allocated to hands on oversight of the project.

The Bureau finds that the project's design, engineering, and logistical intricacies as well as the historical complexity of this project make it extremely difficult to monitor and oversee. This project is not susceptible to hands-on outside oversight without audit and review personnel being involved on the inside level of the project at every step of the way. An outside audit of the CA/T project can easily become bogged-down by technical engineering terminology, recordkeeping, and project bureaucracy. For oversight personnel to be most effective, direct ongoing access to project information is essential.

The Bureau's initial review finds that the Massachusetts Highway Department ("MHD") is in a poor position to properly oversee the project. Because the MHD has committed relatively low levels of staff to actual hands-on oversight, substantial oversight functions have been either consciously or by default delegated to the principal project contractor Bechtel/Parsons Brinkerhoff ("B/PB"). The result is an inherent conflict in which the principal management contractor is often placed in the position of overseeing its own work.

The Bureau's initial review indicates that discrete elements of the project should be targeted for specific oversight as part of a systematic review of the overall project. The initial examination by the Bureau indicates several instances where the current management of the CA/T project was content to live with

poor decisions made early on in the process regarding land takings and other issues. The failure to correct previous mistakes or to consider more cost effective alternatives is a significant factor in the continuous cost escalation of the project.

Cost

The Bureau has serious concerns about the total cost of this project. If current trends continue, the potential cost of the project could approach \$11 Billion dollars.

The Bureau notes the following:

- The project's cost estimates have risen almost yearly by an average of \$300-500 million dollars. Many of those increases relate to additional design and engineering costs. This represents more than a 200% increase over eight years. (See Exhibit #2)
- The cost estimates currently issued by the project are quoted in current dollars and do not factor or account for the potential for inflation. The current estimated completion date of 2004, not only raises the potential for a significant inflation factor, but also presents the potential for a "domino effect", i.e. the extra costs incurred by other project segments that are delayed from problems in design and construction of related component sections.
- The direct monetary costs to the Commonwealth cannot be understated. The federal government has "pink slipped" i.e. denied federal funding participation for certain expenditures already incurred, and the potential for this to continue remains a significant factor.
- The Federal I.G.'s report has raised the issue of the possibility of reduced federal funding participation if costs continue to escalate.

The Bureau believes that some of the construction and design cost escalations are inevitable given the nature of the project. It is this built in potential for unforeseen emergencies and costs which make it imperative that other areas be closely monitored for waste and abuse. For instance the Bureau's initial review notes the following problem areas for example:

1. High levels of expenditures up to \$45,000 per employee for relocating expenses paid to employees of B/PB who have been relocated to Massachusetts from other states. This amount totals over \$1.5 million for the years 1991 through 1993;
2. Significant expenditures for office rent of almost \$12 million for three years (See Exhibit #3);
3. Large expenditures for public relations and advertising; as much as \$1.4 million for the nine monthly period of October 1, 1993 to June 30, 1994; (See Exhibit #4)
4. The Bureau estimated the cost of the project's recent brochure distributed through 3 Boston area newspapers to be almost \$300,000.

The Bureau is concerned about these types of expenditures. The amounts paid for items listed above represent marginal items that should be carefully monitored for waste. These are the types of expenses that are most easily controlled as they relate primarily to administration rather than engineering and construction. Tight control over this type of expenditure is an absolute necessity for a project of this magnitude.

Right of Way Issues

The Bureau's initial review of the land-taking process also noted a number of problems. As has been documented in other reports, the Right of Way ("ROW") issues of the CA/T project are significant. There many takings slated under this project have already raised serious questions about the ROW process.

The Bureau noted the following concerns relating to some of the land takings:

1. The taking of a property at 300 Mystic Avenue, Medford was unnecessary and its initial cost now exceeds the \$1.2 million dollar mark. (See Bureau report, September, 1993) The property was acquired in 1991 as a functional replacement for a maintenance garage that was taken as part of the CANA project. The Bureau has since learned that not only has MHD not targeted the site for the use for which it was originally taken, but MHD has also requested an additional contract authorization for over \$586,000 to clean up the site and rehabilitate this property. The Bureau's earlier review had found that the site environmental problems and structural deficiencies in the building. The ROW process failed to deal effectively with these obvious defects. While the taking was originally slated for

use as a functional replacement for a maintenance facility taken by the CANA project, it is now being proposed to handle two functions transferred from the Wellesley MHD site (pavement management and sign painting). These two proposed functions are unrelated to the CA/T project. As of this writing, FHWA has "pink-slipped" i.e. denied federal funding participation for this taking.

2. The taking of the Wang Building may have been unnecessary. The Federal IG noted that this building was not in the ROW. This taking cost twenty-nine million dollars. The Bureau found that the property which was built by Wang in 1985 was never valued for local tax purposes at more than \$10 million dollars, yet the price ultimately paid by the project was almost three times the assessed value. The Bureau notes this acquisition cost of \$29 million was paid for a leasehold interest and does not give the project a fee simple interest in the property.
3. The latest revision of the Charles River crossing raises additional concerns. The current proposal which added substantial costs to the project also required potentially millions of dollars of costs for the taking and relocation of Spaulding Rehabilitation Hospital

("SRH"). According to recent CA/T documentation, the ROW costs associated with the new "Scheme Z" is estimated at \$110 million. The Bureau noted several concerns about the Spaulding Rehabilitation Hospital ("SRH") proposed taking. These concerns included the issue of whether the taking of this facility is even necessary.

While the current reconfiguration of the crossing may isolate the SRH in terms of surrounding it by highway construction, these actions by themselves do not make the building functionally obsolete and may not affect its overall utility were it to remain in its current location.

The process by which SRH and some of the other takings have been thrust into the ROW mix raises concerns about the ongoing planning process. For instance, as of this writing, SRH has made a presentation to the Board of Selectmen in the Town of Wellesley indicating their interest in relocating their Nashua Street site to the site of former MHD maintenance facility located at Route 9 and 128. As the Bureau has noted, some of the operations of this same Wellesely MHD depot are now scheduled to be transferred to the Mystic Avenue facility in Medford.

As part of its general consolidation plans, MHD moved functions performed at the Charlestown site to various other MHD locations. MHD's latest plans to move functions from Wellesley to Mystic Avenue negate the original reason for taking Mystic Avenue by eminent domain. The Bureau has found no rationale that has been articulated for those various moves. The proposed relocation of certain activities from Wellesley to Mystic Avenue makes little sense when considering the over-all maintenance needs of MHD.

The complete reshuffling of the MHD operations from the Wellesley maintenance facility raise questions about the planning process at MHD. Is it coincidental that the closure of the Wellesley maintenance facility dovetailed with the interest in the parcel expressed by SRH? The Route 9 and 128 site is extremely valuable, providing easy access to all of the major roads in Eastern Massachusetts. The Bureau questions why MHD targeted the Wellesley site for closure if it were truly part of a consolidation plan.

The Bureau also reviewed other takings which generated questions about the ROW process, such as MHD's takings of several properties on Albany Street. In the case of 450 Albany Street, several issues were raised. The documentation relating to the Albany Street site raised concerns about the ownership of the property. (The property was owned by a trust with Jerold and

Jane Gnazzo as trustees.) In the course of reviewing the file on 450 Albany Street, the Bureau noted that CA/T project personnel were denied access to the property at 450 Albany Street for almost 8 months. Apparently no lease or tax return information for the property was provided despite being requested by B/PB personnel. It appears that the tenant of 450 Albany Street released all claims to relocation payments for one dollar's consideration. Apparently, neither the tenant nor the owners ever provided tax returns or lease information. Both the tenant and the landlord were apparently represented by the same attorney.

Other Project Issues

The state IG also documented several concerns about problems related to the planned operations control center of the CA/T project. It would seem that the CA/T project could do well to review the pages of its own value engineering manual before any further work is considered for this control center.

The Bureau also notes a tendency on the part of the MHD and EOTC for use of the CA/T project for programmatic objectives that extend far beyond its stated mission. While the results of the project necessarily have favorable benefits to areas outside of the direct sphere of the transportation system, those outside benefits should not be the principal goals of the project.

The Bureau has the following concerns about the project's perceptions and operations:

- There is an obvious tension relating to the project that can have the effect of limiting the free flow of information about the project. (For example, see March 7, 1994 letter from Peter Zuk to Federico Pena, Exhibit #5)
- The issue of public scrutiny of the project is the source of contention among the oversight agencies and the media. Questions about the availability of certain records in the hands of the consultant and/or the contractors raise even more concerns about oversight and review.
- The Bureau's has found evidence that MHD and B/PB generally believe that at this stage of the project, oversight and increased scrutiny will necessarily delay the project and therefore add costs. The CA/T project's notion that less oversight will minimize cost increases is misguided. While the Bureau shares concerns about delays in the project and believes that duplication and unfocused oversight are counterproductive, nevertheless the Bureau believes that the project and taxpayers alike will reap substantial benefits from hands-on, objective, and constructive oversight.
- The financing of this project is generated from public funds. The fact that the substantial portion of these monies originate from federal sources does not make the money any less public. Taxpayers have a right to expect that the expenditures on this project will be made wisely, expeditiously and in plain view.

Recommendations

1. That the CA/T project be required to submit to the state I.G., the state Auditor, and the Legislature quarterly top-to-bottom cost estimates that include projections for reasonable inflation as well as an adjustment for the effect of specific segment cost overruns on the overall project.

2. That the Bureau conduct a full examination of the project's ROW takings, relocation procedures and administrative oversight.
3. That the House Post Audit and Oversight Committee closely review the existing oversight and consider a number of alternatives including a separately funded project Inspector General with separate financial resources or resources committed from MHD, the state IG, the State Auditor, and the Legislature.
4. The Bureau does not believe that the level of state managers committed to the project is sufficient. The rationale for current staff levels of MHD personnel articulated in the 1993 Project Management Plan (See page 19) cedes too much control and oversight to B/PB. The Bureau urges the CA/T management to revisit the current staff configuration and review the structure with a careful eye toward increased project oversight.
5. While the Bureau believes that while some of the increased costs of the project are beyond direct control of management, there are many others where vigilant attention to costs can bring substantial benefits. Media expenses, staff benefits, ROW procedures and adherence to value engineering programs are all areas where substantial savings can be achieved.

Conclusion

The Bureau believes that the CA/T project oversight needs a significant shot in the arm. This project is of such significance to the region that it is in everyone's interest that oversight and cost control become top priorities. Few doubt the complexity and need for this project. The Bureau believes that with proper resources and a serious and sustained commitment to oversight, CA/T management can keep the project on course and within a reasonable budget.

STATE/FEDERAL ENTITIES WITH ONGOING REVIEWS OR OVERSIGHT OF THE CENTRAL ARTERY/TUNNEL (CA/T) PROJECT

<u>ENTITY</u>	<u>AREA(S) OF OVERSIGHT/JURISDICTION</u>	<u>LEVEL OF MONITORING</u>
A. STATE AGENCIES:		
Dept. of Environmental Protection (DEP)	All permits required by state environmental laws and regulations.	Approval, monitoring and enforcement of permitting issues.
State Office of Minority and Women Owned Business Assistance (SOMWBA)	Responsible for certification process for minority/women owned businesses.	Works in conjunction with Project staff to ensure DBE participation.
B. CONSTITUTIONAL/INDEPENDENT OFFICES:		
Office of the State Auditor	All fiscal and programmatic activities.	Ongoing for compliance with state and federal statutes and regulations. Six staff on site permanently.
Office of the State Treasurer	Return on investment from insurance program trust fund.	Ongoing in accordance with office procedures.
State Inspector General	All activities associated with expenditure of public funds. Four to seven staff assigned full-time to Project.	Ongoing. \$250,000 ISA (for technical assistance) for FY94 to prevent and detect fraud, waste and abuse.
State Attorney General	All activities associated with litigation. This office has also recently assumed responsibilities previously held by Department of Labor and Industries (construction safety and public bidding laws).	Ongoing.
C. STATE LEGISLATIVE COMMITTEES:		
House Post Audit & Oversight	All completed or ongoing programmatic and financial activities involving state funds.	Ongoing.
Joint Committee on Transportation	All Project legislation related to capital financing and transportation matters.	Ongoing.
House Committee on Ways and Means	All legislation related to Project finances. Reviews Project Cost Report on a bi-monthly basis.	Ongoing.
Senate Committee on Ways and Means	All legislation related to Project finances.	Ongoing.

<u>ENTITY</u>	<u>AREA(S) OF OVERSIGHT/JURISDICTION</u>	<u>LEVEL OF MONITORING</u>
D. FEDERAL AGENCIES: Department of Transportation/Inspector General (DOT/IG)	All project programmatic and financial activities.	Ongoing. Four auditors on site permanently. Currently reviewing all right-of-way activities and state and federal fiscal commitments to the Project.
Federal Highway Administration (FHWA)	All aspects of project finance and program management.	Ongoing. Reviewing Project's claims and changes procedures for design contracts.
U.S. Postal Service Task Force (USPS)	Contract data for primes and subs.	Ongoing.
U.S. Attorney's Office	Fraud and abuse in matters pertaining to federal law. Operates a 24 – hour fraud and abuse hotline for the CA/T Project.	Ongoing.
Occupational Safety and Health Administration	Monitor Project's compliance with mandatory OSHA safety standard and guidelines.	Ongoing.
U.S. Environmental Protection Agency	Monitors construction period air and water quality. All federal environmental permits.	Ongoing.

CENTRAL ARTERY/THIRD HARBOR TUNNEL PROJECT
Cost Evaluation 1985-1993
(Dollars in Millions)

YEAR	TOTAL PROJECT COST \$ ** * YEARLY CHANGE	EAST BOSTON \$ ** * YEARLY CHANGE	THIRD HARBOR TUNNEL \$ ** * YEARLY CHANGE	SOUTH BOSTON \$ ** * YEARLY CHANGE	SOUTH BAY INTERCHANGE \$ ** * YEARLY CHANGE	MASS. AVE. INTERCHANGE \$ ** * YEARLY CHANGE	CENTRAL ARTERY SOUTH \$ ** * YEARLY CHANGE	CENTRAL AREA \$ ** * YEARLY CHANGE	CENTRAL AREA NORTH \$ ** * YEARLY CHANGE
1985	2,564 BASE	325 BASE	224 BASE	374 BASE	617 BASE	--	754 BASE	--	270 BASE
1987	3,175 23.8	433 33.2	283 26.3	446 19.2	712 15.4	4 BASE	248 <67.1>	805 BASE	245 <9.2>
1989	4,436 39.7	584 34.9	264 <6.7>	681 52.7	1,294 81.7	132 --	329 32.7	861 6.9	291 18.8
1991	5,780 30.3	832 42.5	273 3.4	775 13.8	1,407 8.7	211 59.8	600 82.4	1,121 30.2	561 92.8
1992	6,443 11.5	820 --	389 42.5	834 7.6	1,645 16.9	231 9.5	593 < 1.2>	1,252 11.7	679 21.0
1993	7,740 20.1	860 4.9	408 4.9	875 4.9	1,725 4.9	243 5.2	621 4.7	1,373 9.7	1,1,635 140.8
CHANGE FROM 1985	5,176 201.9	535 164.6	184 82.1	501 133.9	1,108 179.6	243 --	<133> <17.6>	1,373 --	1,365 505.6

NOTES: 1. \$1 Billion increase reflects the change from Scheme 2 to the Non-River Tunnel.

CENTRAL ARTERY/TUNNEL PROJECT
FACILITY COSTS
AT NOVEMBER 4, 1993

	RENT	OPERATING COSTS	UTILITIES	TOTAL
ONE SOUTH STATION OFFICE SPACE:				
1991	2,783,126.52	412,475.00	117,308.90	3,312,910.42
1992	2,785,046.03	486,813.16	96,856.48	3,368,715.67
1993	2,392,655.89	105,296.48	105,522.98	2,603,475.35
TOTAL	7,960,828.44	1,004,584.64	319,688.36	9,285,101.44
745 ATLANTIC AVENUE OFFICE SPACE				
1991	530,525.93	280,429.68	38,833.43	849,789.04
1992	437,668.25	323,763.20	61,611.06	823,042.51
1993	412,603.62	316,644.13	41,415.42	770,663.17
TOTAL	1,380,797.80	920,837.01	141,859.91	2,443,494.72
185 KNEELAND OFFICE BUILDING				
1991	21,100.00	57,128.00	2,797.96	81,025.96
1992	42,331.27	73,387.38	96,303.05	212,021.70
1993	0.00	194,055.05	312,569.22	506,624.27
TOTAL	63,431.27	324,570.43	411,670.23	799,671.93
75 KNEELAND COMMUNITY INFORMATION CENTER				
1993	1,662.55	0.00	0.00	1,662.55
262-264 BENNINGTON COMMUNITY INFORMATION CENTER				
1993	5,925.82	0.00	209.46	6,135.28
GRAND TOTAL				
1991	3,334,752.45	750,032.68	158,940.29	4,243,725.42
1992	3,265,045.55	883,963.74	254,770.59	4,403,779.88
1993	2,812,847.88	615,995.66	459,717.08	3,888,560.62
TOTAL	9,412,645.88	2,249,992.08	873,427.96	12,536,065.92

ATTACHMENT J

CENTRAL ARTERY/TUNNEL PRO

PUBLIC AFFAIRS PROGRAM BUDGET October 1, 1993 to June 30, 1994	
Tasks/Activities	
Personnel costs (salary and fringe benefits)	\$903,606
Public Information and Media Relations	146,740
Annual Report to the Public	268,475
Project Newsletters (External, Internal, DBE)	108,921
TOTAL	\$1,427,742



Massachusetts Highway Department
Central Artery/Tunnel

March 7, 1994

The Honorable Federico Peña
 Secretary
 United States Department of Transportation
 Nassif Building
 400 7th Street, SW
 Washington, DC 20590

Dear Secretary Peña:

Thank you for taking the time to visit Boston and tour the Third Harbor Tunnel last summer. I am glad that you were able to observe our progress firsthand and get a sense of the Central Artery/Tunnel Project's scope as the largest Federal Highway Administration construction effort currently under way.

I am writing with serious concerns regarding the U.S. Inspector General's report on the Central Artery/Tunnel Project from December, 1993. These concerns fall into three major categories:

- 1) The OIG process was fundamentally unfair to the Project;
- 2) The assumptions contained in the OIG report are incorrect and lead to faulty conclusions;
and
- 3) The report contains many factual errors that prejudice its findings.

I will briefly touch upon these main points in this letter. A detailed response to the OIG report will be provided to you shortly.

UNFAIR OIG PROCESS

As you are no doubt aware, the CA/T Project is scrutinized regularly and thoroughly by state and federal oversight agencies. In all cases, these agencies follow established procedures in conducting audits and review that include — at a minimum — an entrance conference, and exit conference, and the opportunity to comment on findings prior to their release.

Secretary Peña
March 7, 1994
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However, in the case of this OIG report, these procedures were entirely ignored. In fact, we became aware of the existence of the report only after its release to selected members of Congress. An exit conference and review of the report before its release would have been beneficial for all parties involved, given the number of incorrect assumptions and errors contained in the report.

INCORRECT ASSUMPTIONS

It is totally incorrect to assume that the basic concept of the CA/T Project did not change between 1985 and today. This major fallacy, upon which the OIG bases its claim of excessive increases, could have been easily corrected by a cursory examination of relevant public documents, such as the 1985 and 1990 Environmental Impact Statements, and the several Interstate Cost Estimates developed during this period. There were clearly documented major changes to this Project that were publicly analyzed for all — including the OIG — to see and evaluate.

FACTUAL ERRORS

There are a number of factual errors in the report that clearly prejudice the reader against Project management. Some of these include:

- The statement that our management consultant, Bechtel/Parsons Brinckerhoff, is responsible for selecting other design consultants for the Project is totally false. The state is in full control of the consultant selection process, and our Project procedures, approved by FHWA and the Massachusetts Inspector General, clearly spell out these consultant selection responsibilities.
- The statement that Massachusetts intentionally underestimated Project costs in 1985 to secure federal approval is, again, a factual error. The 1985 Interstate Cost Estimate was prepared in accordance with FHWA procedures designed to ensure a full cost to complete estimate on the most recent data available. These estimates were reviewed and approved by FHWA, further guaranteeing their accuracy. To state categorically otherwise, as the OIG does, is a factual error that must be corrected in any meaningful critique of Project management.

Finally, the OIG fails to acknowledge the strong State/Federal communication and partnership that exists on ISTEA funding issues and ignores the Commonwealth's often-stated commitment to work with FHWA to develop new cost containment mechanisms when needed.

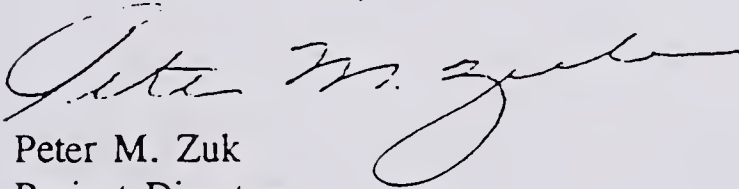
Secretary Peña
March 7, 1994
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We are preparing for you a detailed response that will correct other factual errors in the OIG's report. We hope that you or appropriate DOT and FHWA officials are able to meet with us and review our response before making any decisions or taking any action based on the OIG's report.

We appreciate your understanding of the key role which the Central Artery/Tunnel Project will play in New England's transportation future. The management of this effort is an extremely complex undertaking. Unfortunately, the OIG is seriously misinformed about the facts, roles, and responsibilities related to our task.

We look forward to meeting with you or your designated representatives to review our response and address any concerns that you may have prior to implementing any recommendations of this seriously flawed report.

Sincerely,



Peter M. Zuk
Project Director

AD-2.4.2
094-824

cc: Rodney E. Slater, Administrator, FHWA
Jane F. Garvey, Deputy Administrator, FHWA
E. Dean Carlson, Executive Director, FHWA
Donald E. Hammer, Division Administrator, FHWA
James J. Kerasiotes, Massachusetts Secretary of Transportation
Patrick J. Moynihan, Massachusetts Undersecretary of Transportation

